

# House File 847 - Reprinted

HOUSE FILE \_\_\_\_\_  
BY COMMITTEE ON WAYS  
AND MEANS

(SUCCESSOR TO HSB 289)

Passed House, Date \_\_\_\_\_ Passed Senate, Date \_\_\_\_\_  
Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_ Vote: Ayes \_\_\_\_\_ Nays \_\_\_\_\_  
Approved \_\_\_\_\_

## A BILL FOR

1 An Act relating to property taxation by modifying property  
2 assessment guidelines and notification requirements, creating  
3 a property assessment appeal board to hear appeals of the  
4 actions of local boards of review, tying together the  
5 assessment limitations of certain classes of property, and  
6 including a retroactive applicability date provision.  
7 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:  
8 HF 847  
9 sc/es/25

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1 1 Section 1. NEW SECTION. 421.1A PROPERTY ASSESSMENT  
1 2 APPEAL BOARD.  
1 3 1. A statewide property assessment appeal board is created  
1 4 for the purpose of establishing a consistent, fair, and  
1 5 equitable property assessment appeal process. The statewide  
1 6 property assessment appeal board is established within the  
1 7 department of revenue for administrative and budgetary  
1 8 purposes. The board's principal office shall be in the office  
1 9 of the department of revenue in the capital of the state.  
1 10 2. a. The property assessment appeal board shall consist  
1 11 of three members appointed to staggered six-year terms,  
1 12 beginning and ending as provided in section 69.19, by the  
1 13 governor and subject to confirmation by the senate. Subject  
1 14 to confirmation by the senate, the governor shall appoint from  
1 15 the members a chairperson of the board to a two-year term.  
1 16 Vacancies on the board shall be filled for the unexpired  
1 17 portion of the term in the same manner as regular appointments  
1 18 are made. The term of office for the initial board shall  
1 19 begin January 1, 2007.  
1 20 b. Each member of the property assessment appeal board  
1 21 shall be qualified by virtue of at least two years' experience  
1 22 in the area of government, corporate, or private practice  
1 23 relating to property appraisal and property tax  
1 24 administration. One member of the board shall be a certified  
1 25 real estate appraiser or hold a professional appraisal  
1 26 designation, one member shall be an attorney practicing in the  
1 27 area of state and local taxation or property tax appraisals,  
1 28 and one member shall be a professional with experience in the  
1 29 field of accounting or finance and with experience in state  
1 30 and local taxation matters. No more than two members of the  
1 31 board may be from the same political party as that term is  
1 32 defined in section 43.2.  
1 33 c. The property assessment appeal board shall organize by  
1 34 appointing an executive secretary who shall take the same oath  
1 35 of office as the members of the board. The board shall set  
2 1 the salary of the executive secretary within the limits of the  
2 2 pay plan for exempt positions provided for in section 8A.413,  
2 3 subsection 2. The board may employ additional personnel as it  
2 4 finds necessary.  
2 5 3. At the election of a property owner or aggrieved  
2 6 taxpayer or an appellant described in section 441.42, the  
2 7 property assessment appeal board shall review any final  
2 8 decision, finding, ruling, determination, or order of a local  
2 9 board of review relating to protests of an assessment,  
2 10 valuation, or application of an equalization order.  
2 11 4. The property assessment appeal board may do all of the  
2 12 following:  
2 13 a. Affirm, reverse, or modify a final decision, finding,

2 14 ruling, determination, or order of a local board of review.

2 15 b. Order the payment or refund of property taxes in a  
2 16 matter over which the board has jurisdiction.

2 17 c. Grant other relief or issue writs, orders, or  
2 18 directives that the board deems necessary or appropriate in  
2 19 the process of disposing of a matter over which the board has  
2 20 jurisdiction.

2 21 d. Subpoena documents and witnesses and administer oaths.

2 22 e. Adopt administrative rules pursuant to chapter 17A for  
2 23 the administration and implementation of its powers, including  
2 24 rules for practice and procedure for protests filed with the  
2 25 board, the manner in which hearings on appeals of assessments  
2 26 shall be conducted, filing fees to be imposed by the board,  
2 27 and for the determination of the correct assessment of  
2 28 property which is the subject of an appeal.

2 29 f. Adopt administrative rules pursuant to chapter 17A  
2 30 necessary for the preservation of order and the regulation of  
2 31 proceedings before the board, including forms or notice and  
2 32 the service thereof, which rules shall conform as nearly as  
2 33 possible to those in use in the courts of this state.

2 34 5. The property assessment appeal board shall employ a  
2 35 competent attorney to serve as its general counsel, and  
3 1 assistants to the general counsel as it finds necessary for  
3 2 the full and efficient discharge of its duties,  
3 3 notwithstanding section 13.7. The general counsel is the  
3 4 attorney for, and legal advisor of, the board. The general  
3 5 counsel or an assistant to the general counsel shall provide  
3 6 the necessary legal advice to the board in all matters and  
3 7 shall represent the board in all actions instituted in a court  
3 8 challenging the validity of a rule or order of the board. The  
3 9 general counsel shall devote full time to the duties of the  
3 10 office. During employment as general counsel to the board,  
3 11 the counsel shall not be a member of a political committee,  
3 12 contribute to a political campaign, participate in a political  
3 13 campaign, or be a candidate for partisan political office.

3 14 6. The members of the property assessment appeal board  
3 15 shall receive a salary commensurate with the salary of a  
3 16 district judge. The members of the board, any administrative  
3 17 law judges, and any employees of the board, when required to  
3 18 travel in the discharge of official duties, shall be paid  
3 19 their actual and necessary expenses incurred in the  
3 20 performance of duties.

3 21 Sec. 2. Section 428.4, unnumbered paragraph 1, Code 2005,  
3 22 is amended to read as follows:

3 23 Property shall be assessed for taxation each year. Real  
3 24 estate shall be listed and assessed in 1981 and every two  
3 25 years thereafter. The assessment of real estate shall be the  
3 26 value of the real estate as of January 1 of the year of the  
3 27 assessment. The year 1981 and each odd-numbered year  
3 28 thereafter shall be a reassessment year. In any year, after  
3 29 the year in which an assessment has been made of all the real  
3 30 estate in an assessing jurisdiction, the assessor shall value  
3 31 and assess or revalue and reassess, as the case may require,  
3 32 any real estate that the assessor finds was incorrectly valued  
3 33 or assessed, or was not listed, valued, and assessed, in the  
3 34 assessment year immediately preceding, also any real estate  
3 35 the assessor finds has changed in value subsequent to January  
4 1 1 of the preceding real estate assessment year. However, a  
4 2 percentage increase on a class of property shall not be made  
4 3 in a year not subject to an equalization order unless ordered  
4 4 by the department of revenue. The assessor shall determine  
4 5 the actual value and compute the taxable value thereof as of  
4 6 January 1 of the year of the revaluation and reassessment.  
4 7 The assessment shall be completed as specified in section  
4 8 441.28, but no reduction or increase in actual value shall be  
4 9 made for prior years. If an assessor makes a change in the  
4 10 valuation of the real estate as provided for, sections 441.23,  
4 11 441.37, 441.37A, 441.38 and 441.39 apply.

4 12 Sec. 3. Section 441.19, subsection 4, Code 2005, is  
4 13 amended to read as follows:

4 14 4. The supplemental returns ~~herein~~ provided for in this  
4 15 section shall be preserved in the same manner as assessment  
4 16 rolls, but shall be confidential to the assessor, board of  
4 17 review, property assessment appeal board, or director of  
4 18 revenue, and shall not be open to public inspection, but any  
4 19 final assessment roll as made out by the assessor shall be a  
4 20 public record, provided that such supplemental return shall be  
4 21 available to counsel of either the person making the return or  
4 22 of the public, in case any appeal is taken to the board of  
4 23 review, to the property assessment appeal board, or to the  
4 24 court.

4 25 Sec. 4. Section 441.21, subsection 1, Code 2005, is  
4 26 amended by adding the following new paragraphs:  
4 27 NEW PARAGRAPH. h. The assessor shall determine the value  
4 28 of real property in accordance with rules adopted by the  
4 29 department of revenue and in accordance with forms and  
4 30 guidelines contained in the real property appraisal manual  
4 31 prepared by the department as updated from time to time. Such  
4 32 rules, forms, and guidelines shall not be inconsistent with or  
4 33 change the means, as provided in this section, of determining  
4 34 the actual, market, taxable, and assessed values. If the  
4 35 director of revenue determines that an assessor has willfully  
5 1 disregarded the rules of the department relating to valuation  
5 2 of property or has willfully disregarded the forms and  
5 3 guidelines contained in the real property appraisal manual,  
5 4 the department shall take steps to withhold the reimbursement  
5 5 payment authorized in section 425.1 to the county or city, as  
5 6 applicable, until the director of revenue determines that the  
5 7 assessor is in compliance. A county or city for which such  
5 8 funds have been withheld may appeal the action of the  
5 9 department to the state board of tax review. The department  
5 10 shall adopt rules relating to application of this paragraph.  
5 11 NEW PARAGRAPH. i. If the assessor wishes to use any  
5 12 manuals, guidelines, or forms other than those prescribed by  
5 13 the department of revenue, the assessor shall first receive  
5 14 permission from the director of revenue.

5 15 Sec. 5. Section 441.21, subsection 2, Code 2005, is  
5 16 amended to read as follows:

5 17 2. In the event market value of the property being  
5 18 assessed cannot be readily established in the foregoing  
5 19 manner, then the assessor may determine the value of the  
5 20 property using the other uniform and recognized appraisal  
5 21 methods including its productive and earning capacity, if any,  
5 22 industrial conditions, its cost, physical and functional  
5 23 depreciation and obsolescence and replacement cost, and all  
5 24 other factors which would assist in determining the fair and  
5 25 reasonable market value of the property but the actual value  
5 26 shall not be determined by use of only one such factor. The  
5 27 following shall not be taken into consideration: Special  
5 28 value or use value of the property to its present owner, and  
5 29 the good will or value of a business which uses the property  
5 30 as distinguished from the value of the property as property.  
5 31 However, in assessing property that is rented or leased to  
5 32 low-income individuals and families as authorized by section  
5 33 42 of the Internal Revenue Code, as amended, and which section  
5 34 limits the amount that the individual or family pays for the  
5 35 rental or lease of units in the property, the assessor shall  
6 1 use the productive and earning capacity from the actual rents  
6 2 received as a method of appraisal and shall take into account  
6 3 the extent to which that use and limitation reduces the market  
6 4 value of the property. The assessor shall not consider any  
6 5 tax credit equity or other subsidized financing as income  
6 6 provided to the property in determining the assessed value.  
6 7 The property owner shall notify the assessor when property is  
6 8 withdrawn from section 42 eligibility under the Internal  
6 9 Revenue Code. The property shall not be subject to section 42  
6 10 assessment procedures for the assessment year for which  
6 11 section 42 eligibility is withdrawn. This notification must  
6 12 be provided to the assessor no later than March 1 of the  
6 13 assessment year or the owner will be subject to a penalty of  
6 14 five hundred dollars for that assessment year. The penalty  
6 15 shall be collected at the same time and in the same manner as  
6 16 regular property taxes. Upon adoption of uniform rules by the  
6 17 ~~revenue~~ department of revenue or succeeding authority covering  
6 18 assessments and valuations of such properties, ~~said the~~  
6 19 valuation on such properties shall be determined in accordance  
6 20 ~~therewith~~ with such rules and in accordance with forms and  
6 21 guidelines contained in the real property appraisal manual  
6 22 prepared by the department as updated from time to time for  
6 23 assessment purposes to assure uniformity, but such rules,  
6 24 forms, and guidelines shall not be inconsistent with or change  
6 25 the foregoing means of determining the actual, market, taxable  
6 26 and assessed values.

6 27 Sec. 6. Section 441.21, subsections 4 and 5, Code 2005,  
6 28 are amended to read as follows:

6 29 4. For valuations established as of January 1, 1979, the  
6 30 percentage of actual value at which agricultural and  
6 31 residential property shall be assessed shall be the quotient  
6 32 of the dividend and divisor as defined in this section. The  
6 33 dividend for each class of property shall be the dividend as  
6 34 determined for each class of property for valuations  
6 35 established as of January 1, 1978, adjusted by the product

7 1 obtained by multiplying the percentage determined for that  
7 2 year by the amount of any additions or deletions to actual  
7 3 value, excluding those resulting from the revaluation of  
7 4 existing properties, as reported by the assessors on the  
7 5 abstracts of assessment for 1978, plus six percent of the  
7 6 amount so determined. ~~However, if the difference between the~~  
~~7 7 dividend so determined for either class of property and the~~  
~~7 8 dividend for that class of property for valuations established~~  
~~7 9 as of January 1, 1978, adjusted by the product obtained by~~  
~~7 10 multiplying the percentage determined for that year by the~~  
~~7 11 amount of any additions or deletions to actual value,~~  
~~7 12 excluding those resulting from the revaluation of existing~~  
~~7 13 properties, as reported by the assessors on the abstracts of~~  
~~7 14 assessment for 1978, is less than six percent, the 1979~~  
~~7 15 dividend for the other class of property shall be the dividend~~  
~~7 16 as determined for that class of property for valuations~~  
~~7 17 established as of January 1, 1978, adjusted by the product~~  
~~7 18 obtained by multiplying the percentage determined for that~~  
~~7 19 year by the amount of any additions or deletions to actual~~  
~~7 20 value, excluding those resulting from the revaluation of~~  
~~7 21 existing properties, as reported by the assessors on the~~  
~~7 22 abstracts of assessment for 1978, plus a percentage of the~~  
~~7 23 amount so determined which is equal to the percentage by which~~  
~~7 24 the dividend as determined for the other class of property for~~  
~~7 25 valuations established as of January 1, 1978, adjusted by the~~  
~~7 26 product obtained by multiplying the percentage determined for~~  
~~7 27 that year by the amount of any additions or deletions to~~  
~~7 28 actual value, excluding those resulting from the revaluation~~  
~~7 29 of existing properties, as reported by the assessors on the~~  
~~7 30 abstracts of assessment for 1978, is increased in arriving at~~  
~~7 31 the 1979 dividend for the other class of property. The~~  
7 32 divisor for each class of property shall be the total actual  
7 33 value of all such property in the state in the preceding year,  
7 34 as reported by the assessors on the abstracts of assessment  
7 35 submitted for 1978, plus the amount of value added to said  
8 1 total actual value by the revaluation of existing properties  
8 2 in 1979 as equalized by the director of revenue pursuant to  
8 3 section 441.49. The director shall utilize information  
8 4 reported on abstracts of assessment submitted pursuant to  
8 5 section 441.45 in determining such percentage. For valuations  
8 6 established as of January 1, 1980, and each year thereafter,  
8 7 the percentage of actual value as equalized by the director of  
8 8 revenue as provided in section 441.49 at which agricultural  
8 9 and residential property shall be assessed shall be calculated  
8 10 in accordance with the methods provided herein including the  
~~8 11 limitation of increases in agricultural and residential~~  
~~8 12 assessed values to the percentage increase of the other class~~  
~~8 13 of property if the other class increases less than the~~  
~~8 14 allowable limit adjusted to include the applicable and current~~  
~~8 15 values as equalized by the director of revenue in this~~  
~~8 16 subsection, except that any references to six percent in this~~  
~~8 17 subsection shall be four percent. For valuations established~~  
~~8 18 as of January 1, 2005, and each year thereafter, the~~  
~~8 19 percentage of actual value as equalized by the director of~~  
~~8 20 revenue as provided in section 441.49 at which agricultural~~  
~~8 21 and residential property shall be assessed shall be calculated~~  
~~8 22 in accordance with the methods provided in this subsection and~~  
~~8 23 subsection 5A, except that any references to six percent in~~  
~~8 24 this subsection shall be four percent.~~  
8 25 5. For valuations established as of January 1, 1979,  
8 26 commercial property and industrial property, excluding  
8 27 properties referred to in section 427A.1, subsection 7, shall  
8 28 be assessed as a percentage of the actual value of each class  
8 29 of property. The percentage shall be determined for each  
8 30 class of property by the director of revenue for the state in  
8 31 accordance with the provisions of this section. For  
8 32 valuations established as of January 1, 1979, the percentage  
8 33 shall be the quotient of the dividend and divisor as defined  
8 34 in this section. The dividend for each class of property  
8 35 shall be the total actual valuation for each class of property  
9 1 established for 1978, plus six percent of the amount so  
9 2 determined. The divisor for each class of property shall be  
9 3 the valuation for each class of property established for 1978,  
9 4 as reported by the assessors on the abstracts of assessment  
9 5 for 1978, plus the amount of value added to the total actual  
9 6 value by the revaluation of existing properties in 1979 as  
9 7 equalized by the director of revenue pursuant to section  
9 8 441.49. For valuations established as of January 1, 1979,  
9 9 property valued by the department of revenue pursuant to  
9 10 chapters 428, 433, 437, and 438 shall be considered as one  
9 11 class of property and shall be assessed as a percentage of its

9 12 actual value. The percentage shall be determined by the  
9 13 director of revenue in accordance with the provisions of this  
9 14 section. For valuations established as of January 1, 1979,  
9 15 the percentage shall be the quotient of the dividend and  
9 16 divisor as defined in this section. The dividend shall be the  
9 17 total actual valuation established for 1978 by the department  
9 18 of revenue, plus ten percent of the amount so determined. The  
9 19 divisor for property valued by the department of revenue  
9 20 pursuant to chapters 428, 433, 437, and 438 shall be the  
9 21 valuation established for 1978, plus the amount of value added  
9 22 to the total actual value by the revaluation of the property  
9 23 by the department of revenue as of January 1, 1979. For  
9 24 valuations established as of January 1, 1980, commercial  
9 25 property and industrial property, excluding properties  
9 26 referred to in section 427A.1, subsection 7, shall be assessed  
9 27 at a percentage of the actual value of each class of property.  
9 28 The percentage shall be determined for each class of property  
9 29 by the director of revenue for the state in accordance with  
9 30 the provisions of this section. For valuations established as  
9 31 of January 1, 1980, the percentage shall be the quotient of  
9 32 the dividend and divisor as defined in this section. The  
9 33 dividend for each class of property shall be the dividend as  
9 34 determined for each class of property for valuations  
9 35 established as of January 1, 1979, adjusted by the product  
10 1 obtained by multiplying the percentage determined for that  
10 2 year by the amount of any additions or deletions to actual  
10 3 value, excluding those resulting from the revaluation of  
10 4 existing properties, as reported by the assessors on the  
10 5 abstracts of assessment for 1979, plus four percent of the  
10 6 amount so determined. The divisor for each class of property  
10 7 shall be the total actual value of all such property in 1979,  
10 8 as equalized by the director of revenue pursuant to section  
10 9 441.49, plus the amount of value added to the total actual  
10 10 value by the revaluation of existing properties in 1980. The  
10 11 director shall utilize information reported on the abstracts  
10 12 of assessment submitted pursuant to section 441.45 in  
10 13 determining such percentage. For valuations established as of  
10 14 January 1, 1980, property valued by the department of revenue  
10 15 pursuant to chapters 428, 433, 437, and 438 shall be assessed  
10 16 at a percentage of its actual value. The percentage shall be  
10 17 determined by the director of revenue in accordance with the  
10 18 provisions of this section. For valuations established as of  
10 19 January 1, 1980, the percentage shall be the quotient of the  
10 20 dividend and divisor as defined in this section. The dividend  
10 21 shall be the total actual valuation established for 1979 by  
10 22 the department of revenue, plus eight percent of the amount so  
10 23 determined. The divisor for property valued by the department  
10 24 of revenue pursuant to chapters 428, 433, 437, and 438 shall  
10 25 be the valuation established for 1979, plus the amount of  
10 26 value added to the total actual value by the revaluation of  
10 27 the property by the department of revenue as of January 1,  
10 28 1980. For valuations established as of January 1, 1981, and  
10 29 each year thereafter, the percentage of actual value as  
10 30 equalized by the director of revenue as provided in section  
10 31 441.49 at which commercial property and industrial property,  
10 32 excluding properties referred to in section 427A.1, subsection  
10 33 7, shall be assessed shall be calculated in accordance with  
10 34 the methods provided herein in this subsection, except that  
10 35 any references to six percent in this subsection shall be four  
11 1 percent. For valuations established as of January 1, 1981,  
11 2 and each year thereafter, the percentage of actual value at  
11 3 which property valued by the department of revenue pursuant to  
11 4 chapters 428, 433, 437, and 438 shall be assessed shall be  
11 5 calculated in accordance with the methods provided herein,  
11 6 except that any references to ten percent in this subsection  
11 7 shall be eight percent. Beginning with valuations established  
11 8 as of January 1, 1979, and each year thereafter, property  
11 9 valued by the department of revenue pursuant to chapter 434  
11 10 shall also be assessed at a percentage of its actual value  
11 11 which percentage shall be equal to the percentage determined  
11 12 by the director of revenue for commercial property, industrial  
11 13 property, or property valued by the department of revenue  
11 14 pursuant to chapters 428, 433, 437, and 438, whichever is  
11 15 lowest. For valuations established as of January 1, 2005, and  
11 16 each year thereafter, the percentage of actual value as  
11 17 equalized by the director of revenue as provided in section  
11 18 441.49 at which commercial and industrial property shall be  
11 19 assessed shall be calculated in accordance with the methods  
11 20 provided in this subsection and subsection 5A, except that any  
11 21 references to six percent in this subsection shall be four  
11 22 percent.

11 23 Sec. 7. Section 441.21, Code 2005, is amended by adding  
11 24 the following new subsection:  
11 25 NEW SUBSECTION. 5A. Notwithstanding the limitation of  
11 26 increases in subsection 4 and the limitation of increases for  
11 27 commercial and industrial property in subsection 5, for  
11 28 valuations established as of January 1, 2005, and each year  
11 29 thereafter, for residential, agricultural, commercial, and  
11 30 industrial property, the assessed values of these four classes  
11 31 of property shall be limited to the percentage increase of  
11 32 that class of property that is the lowest percentage increase  
11 33 under the allowable limit adjusted to include the applicable  
11 34 and current values as equalized by the director of revenue.

11 35 Sec. 8. Section 441.28, Code 2005, is amended to read as  
12 1 follows:  
12 2 441.28 ASSESSMENT ROLLS == CHANGE == NOTICE TO TAXPAYER.  
12 3 The assessment shall be completed not later than April 15  
12 4 each year. If the assessor makes any change in an assessment  
12 5 after it has been entered on the assessor's rolls, the  
12 6 assessor shall note on ~~said the~~ roll, together with the  
12 7 original assessment, the new assessment and the reason for the  
12 8 change, together with the assessor's signature and the date of  
12 9 the change. Provided, however, in the event the assessor  
12 10 increases any assessment the assessor shall give notice of the  
~~12 11 increase in writing thereof to the taxpayer by mail prior to~~  
~~12 12 the meeting of the board of review postmarked no later than~~  
~~12 13 April 15.~~ No changes shall be made on the assessment rolls  
12 14 after April 15 except by order of the board of review or of  
12 15 the property assessment appeal board, or by decree of court.

12 16 Sec. 9. Section 441.35, unnumbered paragraph 2, Code 2005,  
12 17 is amended to read as follows:  
12 18 In any year after the year in which an assessment has been  
12 19 made of all of the real estate in any taxing district, ~~it~~  
~~12 20 shall be the duty of the board of review to shall~~ meet as  
12 21 provided in section 441.33, and where ~~it the board~~ finds the  
12 22 same has changed in value, ~~to the board shall~~ revalue and  
12 23 reassess any part or all of the real estate contained in such  
12 24 taxing district, and in such case, ~~it the board~~ shall  
12 25 determine the actual value as of January 1 of the year of the  
12 26 revaluation and reassessment and compute the taxable value  
12 27 thereof, ~~and any.~~ Any aggrieved taxpayer may petition for a  
12 28 revaluation of the taxpayer's property, but no reduction or  
12 29 increase shall be made for prior years. If the assessment of  
12 30 any such property is raised, or any property is added to the  
12 31 tax list by the board, the clerk shall give notice in the  
12 32 manner provided in section 441.36, ~~provided, however, that,~~  
~~12 33 However,~~ if the assessment of all property in any taxing  
12 34 district is raised, the board may instruct the clerk to give  
12 35 immediate notice by one publication in one of the official  
13 1 newspapers located in the taxing district, and such published  
13 2 notice shall take the place of the mailed notice provided for  
13 3 in section 441.36, but all other provisions of ~~said that~~  
13 4 section shall apply. The decision of the board as to the  
13 5 foregoing matters shall be subject to appeal to the property  
~~13 6 assessment appeal board within the same time and in the same~~  
~~13 7 manner as provided in section 441.37A and to the district~~  
13 8 court within the same time and in the same manner as provided  
13 9 in section 441.38.

13 10 Sec. 10. NEW SECTION. 441.37A APPEAL OF PROTEST TO  
13 11 PROPERTY ASSESSMENT APPEAL BOARD.

13 12 1. For the assessment year beginning January 1, 2007, and  
13 13 all subsequent assessment years, appeals may be taken from the  
13 14 action of the board of review with reference to protests of  
13 15 assessment, valuation, or application of an equalization order  
13 16 to the property assessment appeal board created in section  
13 17 421.1A. However, a property owner or aggrieved taxpayer or an  
13 18 appellant described in section 441.42 may bypass the property  
13 19 assessment appeal board and appeal the decision of the local  
13 20 board of review to the district court pursuant to section  
13 21 441.38. For an appeal to the property assessment appeal board  
13 22 to be valid, written notice must be filed by the party  
13 23 appealing the decision with the executive secretary of the  
13 24 property assessment appeal board within twenty days after the  
13 25 date the board of review's letter of disposition of the appeal  
13 26 is postmarked to the party making the protest. The written  
13 27 notice of appeal shall include a petition setting forth the  
13 28 basis of the appeal and the relief sought. No new grounds in  
13 29 addition to those set out in the protest to the local board of  
13 30 review as provided in section 441.37 can be pleaded, but  
13 31 additional evidence to sustain those grounds may be  
13 32 introduced. The assessor shall have the same right to appeal  
13 33 to the assessment appeal board as an individual taxpayer,

13 34 public body, or other public officer as provided in section  
13 35 441.42.

14 1 Filing of the written notice of appeal and petition with  
14 2 the executive secretary of the property assessment appeal  
14 3 board shall preserve all rights of appeal of the appellant,  
14 4 except as otherwise provided in subsection 2. A copy of the  
14 5 appellant's written notice of appeal and petition shall be  
14 6 mailed by the executive secretary of the property assessment  
14 7 appeal board to the local board of review whose decision is  
14 8 being appealed. In all cases where a change in assessed  
14 9 valuation of one hundred thousand dollars or more is  
14 10 petitioned for, the local board of review shall mail a copy of  
14 11 the written notice of appeal and petition to all affected  
14 12 taxing districts as shown on the last available tax list.

14 13 2. A party to the appeal may request a hearing or the  
14 14 appeal may proceed without a hearing. If a hearing is  
14 15 requested, the appellant and the local board of review from  
14 16 which the appeal is taken shall be given at least thirty days'  
14 17 written notice by the property assessment appeal board of the  
14 18 date the appeal shall be heard and the local board of review  
14 19 may be present and participate at such hearing. Notice to all  
14 20 affected taxing districts shall be deemed to have been given  
14 21 when written notice is provided to the local board of review.  
14 22 Failure by the appellant to appear at the property assessment  
14 23 appeal board hearing shall be grounds for dismissal of the  
14 24 appeal unless a continuance is granted to the appellant. If  
14 25 an appeal is dismissed for failure to appear, the property  
14 26 assessment appeal board shall have no jurisdiction to consider  
14 27 any subsequent appeal on the appellant's protest.

14 28 An appeal may be considered by less than a majority of the  
14 29 members of the board, and the chairperson of the board may  
14 30 assign members to consider appeals. Appeals to the property  
14 31 assessment appeal board may also be considered by an  
14 32 administrative law judge assigned by the division of  
14 33 administrative hearings of the department of inspections and  
14 34 appeals in accordance with section 10A.801. If a hearing is  
14 35 requested, it shall be open to the public and shall be  
15 1 conducted in accordance with the rules of practice and  
15 2 procedure adopted by the board. However, any deliberation of  
15 3 the officer considering the appeal in reaching a decision on  
15 4 any appeal shall be confidential. The property assessment  
15 5 appeal board, or any member of the board, or an administrative  
15 6 law judge may require the production of any books, records,  
15 7 papers, or documents as evidence in any matter pending before  
15 8 the board that may be material, relevant, or necessary for the  
15 9 making of a just decision. Any books, records, papers, or  
15 10 documents produced as evidence shall become part of the record  
15 11 of the appeal. Any testimony given relating to the appeal  
15 12 shall be transcribed and made a part of the record of the  
15 13 appeal.

15 14 3. a. The officer considering the appeal shall determine  
15 15 anew all questions arising before the local board of review  
15 16 which relate to the liability of the property to assessment or  
15 17 the amount thereof. All of the evidence shall be considered  
15 18 and there shall be no presumption as to the correctness of the  
15 19 valuation of assessment appealed from. The property  
15 20 assessment appeal board shall make a decision in each appeal  
15 21 filed with the board. If the appeal is considered by less  
15 22 than a majority of the board or by an administrative law  
15 23 judge, the determination made by that person shall be  
15 24 forwarded to the full board for approval, rejection, or  
15 25 modification. If the initial determination is rejected by the  
15 26 board, it shall be returned for reconsideration to the board  
15 27 member or administrative law judge making the initial  
15 28 determination. Any deliberation of the board regarding an  
15 29 initial determination shall be confidential.

15 30 b. The decision of the board shall be considered the final  
15 31 agency action for purposes of further appeal, except as  
15 32 otherwise provided in section 441.49. The decision shall be  
15 33 final unless appealed to district court as provided in section  
15 34 441.38. The levy of taxes on any assessment appealed to the  
15 35 board shall not be delayed by any proceeding before the board,  
16 1 and if the assessment appealed from is reduced by the decision  
16 2 of the board, any taxes levied upon that portion of the  
16 3 assessment reduced shall be abated or, if already paid, shall  
16 4 be refunded. If the subject of an appeal is the application  
16 5 of an equalization order, the property assessment appeal board  
16 6 shall not order a reduction in assessment greater than the  
16 7 amount that the assessment was increased due to application of  
16 8 the equalization order. Each party to the appeal shall be  
16 9 responsible for the costs of the appeal incurred by that

16 10 party.

16 11 Sec. 11. Section 441.38, Code 2005, is amended to read as  
16 12 follows:

16 13 441.38 APPEAL TO DISTRICT COURT.

16 14 1. Appeals may be taken from the action of the local board  
16 15 of review with reference to protests of assessment, to the  
16 16 district court of the county in which the board holds its  
16 17 sessions within twenty days after its adjournment or May 31,  
16 18 whichever date is later. Appeals may be taken from the action

16 19 of the property assessment appeal board to the district court  
16 20 of the county where the property which is the subject of the  
16 21 appeal is located within twenty days after the letter of  
16 22 disposition of the appeal by the property assessment appeal  
16 23 board is postmarked to the appellant. No new grounds in

16 24 addition to those set out in the protest to the local board of  
16 25 review as provided in section 441.37, or in addition to those  
16 26 set out in the appeal to the property assessment appeal board,

16 27 if applicable, can be pleaded, but additional evidence to  
16 28 sustain those grounds may be introduced. The assessor shall  
16 29 have the same right to appeal and in the same manner as an  
16 30 individual taxpayer, public body or other public officer as  
16 31 provided in section 441.42. Appeals shall be taken by filing  
16 32 a written notice of appeal with the clerk of district court.  
16 33 Filing of the written notice of appeal shall preserve all  
16 34 rights of appeal of the appellant.

16 35 2. Notice of appeal shall be served as an original notice  
17 1 on the chairperson, presiding officer, or clerk of the board  
17 2 of review, and on the executive secretary of the property  
17 3 assessment appeal board, if applicable, after the filing of  
17 4 notice under subsection 1 with the clerk of district court.

17 5 Sec. 12. Section 441.39, Code 2005, is amended to read as  
17 6 follows:

17 7 441.39 TRIAL ON APPEAL.

17 8 ~~The~~ If the appeal is from a decision of the local board of  
17 9 review, the court shall hear the appeal in equity and

17 10 determine anew all questions arising before the board which  
17 11 relate to the liability of the property to assessment or the  
17 12 amount thereof. The court shall consider all of the evidence  
17 13 and there shall be no presumption as to the correctness of the  
17 14 valuation of assessment appealed from. If the appeal is from

17 15 a decision of the property assessment appeal board, the  
17 16 court's review shall be limited to the correction of errors at  
17 17 law. Its decision shall be certified by the clerk of the

17 18 court to the county auditor, and the assessor, who shall  
17 19 correct the assessment books accordingly.

17 20 Sec. 13. Section 441.43, Code 2005, is amended to read as  
17 21 follows:

17 22 441.43 POWER OF COURT.

17 23 Upon trial of any appeal from the action of the board of  
17 24 review or of the property assessment appeal board fixing the  
17 25 amount of assessment upon any property concerning which  
17 26 complaint is made, the court may increase, decrease, or affirm  
17 27 the amount of the assessment appealed from.

17 28 Sec. 14. Section 441.49, unnumbered paragraph 5, Code  
17 29 2005, is amended to read as follows:

17 30 The local board of review shall reconvene in special  
17 31 session from October 15 to November 15 for the purpose of  
17 32 hearing the protests of affected property owners or taxpayers  
17 33 within the jurisdiction of the board whose valuation of  
17 34 property if adjusted pursuant to the equalization order issued  
17 35 by the director of revenue will result in a greater value than

18 1 permitted under section 441.21. The board of review shall  
18 2 accept protests only during the first ten days following the  
18 3 date the local board of review reconvenes. The board of  
18 4 review shall limit its review to only the timely filed  
18 5 protests. The board of review may adjust all or a part of the  
18 6 percentage increase ordered by the director of revenue by  
18 7 adjusting the actual value of the property under protest to  
18 8 one hundred percent of actual value. Any adjustment so  
18 9 determined by the board of review shall not exceed the  
18 10 percentage increase provided for in the director's

18 11 equalization order. The determination of the board of review  
18 12 on filed protests is final, subject to appeal to the property  
18 13 assessment appeal board. A final decision by the local board

18 14 of review, or the property assessment appeal board, if the  
18 15 local board's decision is appealed, is subject to review by  
18 16 the director of revenue for the purpose of determining whether  
18 17 the board's actions substantially altered the equalization  
18 18 order. In making the review, the director has all the powers  
18 19 provided in chapter 421, and in exercising the powers the  
18 20 director is not subject to chapter 17A. Not later than

18 21 fifteen days following the adjournment of the board, the board  
18 22 of review shall submit to the director of revenue, on forms  
18 23 prescribed by the director, a report of all actions taken by  
18 24 the board of review during this session.

18 25 Sec. 15. Section 445.60, Code 2005, is amended to read as  
18 26 follows:

18 27 445.60 REFUNDING ERRONEOUS TAX.

18 28 The board of supervisors shall direct the county treasurer  
18 29 to refund to the taxpayer any tax or portion of a tax found to  
18 30 have been erroneously or illegally paid, with all interest,  
18 31 fees, and costs actually paid. A refund shall not be ordered  
18 32 or made unless a claim for refund is presented to the board  
18 33 within two years of the date the tax was due, or if appealed  
18 34 to the board of review, the property assessment appeal board,  
18 35 the state board of tax review, or district court, within two  
19 1 years of the final decision.

19 2 Sec. 16. RETROACTIVE APPLICABILITY. The sections of this  
19 3 Act amending section 441.21, subsections 4 and 5, and enacting  
19 4 section 441.21, subsection 5A, apply retroactively to January  
19 5 1, 2005, for assessment years beginning on or after that date.

19 6 HF 847

19 7 sc:rj/es/25